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2011-203-E  
Matthew W. Gissendanner  
Senior Counsel

[matthew.gissendanner@scana.com](mailto:matthew.gissendanner@scana.com)

September 16, 2011

**VIA HAND DELIVERY**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive (29210)  
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company  
Request for Approval of Contract for Electric Service with The Boeing Company

Dear Ms. Boyd:

Pursuant to 26 S.C. Code Ann. Regs. 103-303, South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files and seeks approval of a Contract for Electric Service ("Contract") between SCE&G and The Boeing Company ("Boeing"), with such approval to be made effective as of August 31, 2011, the effective date of the Contract. The Contract continues through August 31, 2021 unless an early termination is mutually agreed upon by the parties. The Contract is automatically extended thereafter until terminated by either party.

The Contract is related to Boeing's decision to locate its Interior Responsibility Center ("IRC") in the Summerville Palmetto Commerce Park. The IRC will make airplane parts such as overhead stow bins, closets and partitions between flight classes, and the close proximity of this new facility to Boeing's North Charleston final assembly site for its 787 Dreamliner program will help improve the efficiency of the final assembly and delivery process in South Carolina. It is SCE&G's understanding that the IRC will be home to 150 employees.

Under the Contract, SCE&G will provide electric service to Boeing at the IRC pursuant to the Company's retail electric rate schedule entitled "Rate 23 – Industrial Power Service" as currently approved by the Public Service Commission of South Carolina ("Commission"). At the outset, Boeing will be billed at a rate which consists of a basic facilities charge, an energy charge, and a demand charge—all determined in accordance with Rate 23—and an economic development credit. Thereafter, Boeing will be billed for electricity under Rate 23.

In addition to Rate 23 itself, there is a rider to the Contract, namely, "Rider 1 – Green Power." Under Rider 1, Boeing will pay SCE&G for "green power" that SCE&G supplies to the IRC for a minimum of three years beginning October 1, 2011. At the conclusion of the initial three-year term, Rider 1 may be extended on a year-to-year basis at Boeing's request. For purposes of this Contract, "green power" refers to electricity sold by the Company for consumption at the IRC coupled with renewable energy certificates from SCE&G's renewable generating facility and the market, if necessary.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Boeing operates, the Company and Boeing respectfully request that the Public Service Commission of South Carolina ("Commission") find that the Contract contains protected information and issue a protective order barring the disclosure of this agreement under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 26 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.

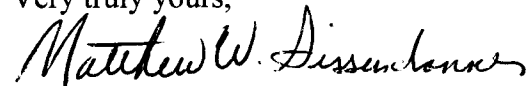
Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten copies of a redacted copy of the Contract for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, SCE&G will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



Matthew W. Gissendanner

MWG/mcs  
Enclosure

cc: John Flitter  
Jeffrey M. Nelson, Esquire  
(both via hand delivery)

ORIGINAL

South Carolina Electric &amp; Gas Company

## CONTRACT FOR ELECTRIC SERVICE

Effective Date: 08-31-11 Contract No.: E7011032

## THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING

Customer's Legal Name: The Boeing Company

Trade or Local Name: Boeing IRC

Premises Served: Summerville Interior Responsibility Center

Service Address: 9775 Patriot Blvd., Ladson, SC 29456-6727

Billing Address: C/O ADVANTAGE IQ MS 1339 PO BOX 2410 SPOKANE WA 99210-2410

Initial Term Ends: 10 Years from Effective Date; Service Date: On or about October 1, 2011

Minimum Notice of Termination: 12 Months

Supply: 115 kV Service Method: 2 (two) primary meters

Delivery: 23,900 Volts, 3 Phase, 4 Wire, Wye Connected

Point of Service: Bushing well inserts on the load side of the primary metering enclosures

Metered Voltage: 23,900 Volts; Meter Location: Each of the two pad-mounted primary metering cabinets

Billing Rate: 23 Contract Demand: 3,400 kW Maximum Capacity: 8,000 KVA

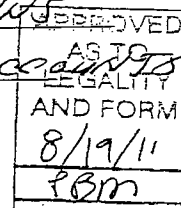
Build-up Period: 6 (six) months from Service Date SIC: 3721

Special Provisions/Extra Facilities/Explanations:

THE BOEING COMPANY

By: Matt DalyPrint: Matt DalyTitle: PROCUREMENT AGENT

SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

By: William G. WatkinsPrint: WILLIAM G. WATKINSTitle: MANAGER, LARGE ACCOUNTS

**Section I – General**

This Contract for Electric Service ("Contract") is being executed between South Carolina Electric & Gas Company ("Company" or "SCE&G") and The Boeing Company ("Customer" or "Boeing") (each a "Party" and collectively, the "Parties") for the Interior Responsibility Center ("IRC") located in the Summerville Palmetto Commerce Park, for and on behalf of themselves, their successors and assigns. This Contract shall include the Standard Conditions and RIDER 1 attached hereto, and supersedes all other previous oral or written contracts/agreements covering electric service to the Premises.

Pursuant to the terms and conditions of this Contract, Company shall supply Customer with, and Customer shall pay for, Green Power to satisfy all of Customer's electricity needs at the IRC. The Parties' obligations for the supply of and payment for Green Power are set forth in Rider 1.

**A. METERING AND DETERMINATION OF BILLING DETERMINANTS**

Service to the Customer will be metered at the two (2) 23.9 kV service points. The demand (kW and kVA) will be added coincidentally and the energy (kWh) will be added arithmetically and billed on the Company's Industrial Power Service Rate 23, as provided for herein.

**B. BILLING –**

Except as otherwise noted, all provisions of Industrial Power Service Rate 23 or its successor/equivalent in effect at the time of billing (herein referred to as "Rate 23") will be part of this Contract. A copy of the Rate 23 schedule, currently in effect, is attached. Customer shall be eligible for service under Rate 23 for the duration of its operations at the IRC.

Beginning with the Service Date of this Contract For Electric Service and extending for [REDACTED] Customer will be billed according to a Contract Rate, consisting of: 1) a Basic Facilities Charge; 2) an Energy Charge; 3) a Demand Charge; and 4) an Economic Development Credit as follows:

- 1) Basic Facilities Charge: The Basic Facilities Charge shall be the Basic Facilities Charge included in Rate 23, in effect at the time of billing.
- 2) Energy Charge: The Customer's Energy Charge shall be determined by applying the Energy Charge per kWh in the Company's Rate 23, in effect at the time of billing, to the billing kWh as measured by the Company, in accordance with Section A of this Contract.
- 3) Demand Charge: The Customer's Demand Charge shall be Demand Charge for "All KW of Billing Demand" in the Company's Rate 23, in effect at the time of billing, applied to the Billing Demand kW as determined by the Company.

Approval Initials

MD

For Customer

WGW

For Company

- 4) Economic Development Credit: The Customer's Economic Development Credit shall be determined by applying the Economic Development Credit Percentages listed below to the Demand Charge described above.

<u>Contract Year</u>	<u>Economic Development Credit</u>
[Redacted Table Content]	

Rate 23 provides for a build up period of no greater than six months commencing on the Service Date during which demand charges are assessed based on actual usage. Unless Customer requests a shorter build-up period, the Year 1 Economic Development Credit will be applied upon conclusion of the Six Month Build-up Period.

**BILLING** - [Redacted]

Beginning with contract year [Redacted] of this Contract and extending for a minimum of [Redacted] Customer will be billed according to Rate 23.

**Section II – Non-Standard Facilities**

Customer has requested and Company has agreed to install, own, operate and maintain a second 23.9 kV point of service, metering and associated equipment (more explicitly identified in Exhibit A attached hereto and made a part herof). In consideration of Company's investment in these non-standard facilities, Customer agrees to pay Company a one-time, non-refundable contribution-in-aid-of-construction in the amount of \$ 103,813. Payment shall be made within thirty (30) days of the Effective Date of this Contract.

Customer also agrees to pay Company a monthly Operating Charge equal to Company's standard operating charge rate times the cost basis of the non-standard equipment, currently in the amount of \$1,038. This Operating Charge is required to cover the costs associated with owning, operating and maintaining the non-standard facilities. The Company's standard operating charge rate, currently 1.00% per month, is subject to change from time to time, but not more often than once a year based on Company's related cost factors. The cost basis is equal to actual cost of the second 23.9 kV point of service, metering and associated equipment and is subject to change with a corresponding change in the current value of any covered unit(s) of capital in the event of a required replacement of major components. The charges described in this Section shall be in addition to all other sums due under this Contract.

Approval Initials	<u>MD</u>	<u>WGW</u>
	For Customer	For Company

**Section III – Regulatory Approval**

The Customer agrees to support the Company in its request to the Public Service Commission of South Carolina ("Commission") to protect the confidential information contained within the Contract. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission and the Customer agrees to support the Company in its request to the Commission seeking approval of the Contract. In the event the Commission does not approve the Contract, or approves the Contract (including Riders) subject to conditions that differ in any way from the rates, terms and conditions herein, the Parties shall negotiate in good faith, in order to address any such Commission conditions. If they cannot reach agreement then either Party may terminate this Contract with ninety (90) days written notice without penalty.

**Section IV – Confidentiality**

Company and Customer hereby agree to keep the terms of this Contract confidential. Neither Party shall disclose directly or indirectly without the prior written consent of the other Party the terms of this Contract to a third party except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; or (iii) to its employees, lenders, counsel, accountants and other agents on a need-to-know basis for the analysis of business issues related to this Contract, provided such persons shall have agreed to keep such terms confidential. The existence of this Contract is not confidential.

**Section VI – Self Generation**

The Customer may elect to own and operate on-site generation facilities to generate power for emergency use by Customer as backup for its critical infrastructure, and will be entitled to any applicable Company incentives that might arise in connection with such on-site generation. Any limitations on Customer's right to self-generate power shall be limited to a ten (10) year period, commencing from the Service Date of this Contract. Customer shall retain all rights to any "Green Attributes" ("Green Attributes" shall mean RECs, Green Tags or any other environmental attributes), credits or subsidies that may be applicable to any on-site generation owned by Customer. Any such Self-Generation shall be subject to all applicable Company tariffs regarding Customer-owned generation that are on file with, and have been approved by the Commission.

Approval Initials

MO

For Customer

WGW

For Company

## STANDARD CONDITIONS

**Supply and Use:** Company agrees to sell and Customer agrees to buy from Company all purchased electric energy, capacity, related transmission services and any related distribution services required by Customer for use on its premises covered hereunder. Resale by Customer of energy, capacity, related transmission or related distribution services is not permitted.

**Creditworthiness:** Company, in order to satisfy itself of the ability of the Customer to meet its obligations under the contract, may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Customer agrees to assist in these reviews by providing financial information and at the request of the Company, will maintain such credit support or surety including but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

**Service Application, Deposit and Release:** Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with S.C. Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspections required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.

**Commencement of New Service:** Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the **Service Date** stated on Page 1. If conditions should change, the affected Party shall immediately notify the other.

**Assignment:** Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

**Term:** This Contract shall commence on the **Effective Date** (the date on which this contract is fully executed) and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either Party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** (the date customer contracts for service under the tariff applicable to this contract) or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**.

**Termination:** Should Customer terminate this contract and disconnect service for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a facilities termination charge equal to (a) the total installed cost of facilities dedicated solely for serving Customer, (b) less any Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by Company, (d) less salvage value of all facilities dedicated solely for serving Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by Customer or those paid or incurred by the Company which were not the result of negligence on the part of the Company), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Customers who terminate prior to the expiration of the initial term or any extension thereof may also be required to pay to Company a demand termination charge equal to 90% of the maximum demand set during the term times the demand rate in effect at the time of termination times the number of months remaining in the contract period.

Approval Initials

*MD*

For Customer

*WBL*

For Company

Company may waive a portion or all of the termination charges where (1) a successor contract is executed prior to termination of this Contract, or (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. If deregulation should occur during the term of this contract, the above demand termination charge, after deregulation, will be determined by appropriate governing authority(ies) rules at that time. The termination charges above shall not preclude additional termination charges approved by the SCPSC or imposed by law.

**Impaired Service:** Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects the Company's system or its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer or upon Notice Company may discontinue service until the conditions are corrected. Customer agrees to keep Company equipment unencumbered and accessible at all times.

**Load Increase:** If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

**Facility Relocation:** Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

**Hold Harmless:** Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and except as hereafter limited, shall hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death. MO  
WG

Notwithstanding the language in this "Hold Harmless" clause, either party may seek contribution from the other party for claims filed against the first party for personal injury, death, or property damage in accordance with the provisions of South Carolina statute section 15-38-20, "Right of contribution."

**South Carolina Public Service Commission:** This Contract, the **Billing Rate** referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. The billing Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request. This contract is specifically intended to survive deregulation or retail access.

**Bold Print Terms:** Bold Print terms reference the corresponding completed blanks on Page 1.

Approval Initials

MO

For Customer

WG

For Company

RIDER 1 TO RATE 23  
(The Boeing Company)

GREEN POWER

### A. AVAILABILITY

This RIDER 1 is available to Customer in conjunction with the Contract being executed concurrently herewith, to facilitate the purchase by Customer of Green Power, as defined below.

### B. DEFINITIONS

- 1) Green Power: Green Power shall mean electricity sold by Company for consumption at the Interior Responsibility Center ("IRC") coupled with Green Attributes (defined at Section VI of the Contract). Green Power shall include Company Green Power and Market Green Power.
- 2) Green Premium: The Green Premium shall mean either: [REDACTED] per kWh plus associated revenue related taxes ("Company Green Premium") or the Company's reasonable costs for purchasing Green Attributes from the market ("Market Green Premium"), whichever is applicable, pursuant to Sections D, E and F, below.
- 3) Company Green Power: Company Green Power shall mean power coupled with Green Attributes from SCE&G's system resources ("Company Green Attributes").
- 4) Market Green Power: Market Green Power shall mean Green Attributes purchased from the market ("Market Green Attributes").

### C. DESCRIPTION OF SERVICE

Company provides electric utility service to Customer's IRC. Customer desires to have the IRC served entirely with Green Power upon commencement of this Contract. Company will provide Company Green Power, so long as it is capable of producing Customer's Green Power requirements for 100% of the electricity consumed at the IRC. Subject to the pricing requirements and consent requirements set forth in Section F below, in the event of a deficiency in Company's Green Attributes or Company Green Power, Company will procure Market Green Attributes to create Market Green Power.

### D. TERM

Customer commits to purchase from Company and the Company commits to provide the Green Attributes for 100% of energy consumption by the IRC for a minimum of three years beginning on October 1, 2011. At the conclusion of such three year initial term, the term of this RIDER 1 may be extended on a year-to-year basis, upon request by Customer, according to an annual rate mutually agreed upon by the Customer and the Company.

Approval Initials

*MD*

For Customer

*WGW*

For Company

#### E. RATE FOR GREEN POWER

The Customer's Rate for Green Power shall consist of the following two components:

- 1) The charges under Rate 23 (under which Customer takes service), discussed in Section I.(B) of the Contract, which include basic facilities charges, energy charges, and demand charges.
- 2) The Green Premium (as defined above) will be added to each monthly bill for the kWh consumption at the IRC.

#### F. GENERAL PROVISIONS

The Company Green Premium will be added to each monthly bill for the kWh consumption at the IRC. After the conclusion of each calendar year of service (no later than February 28<sup>th</sup>) during the three year initial term of this RIDER 1, and any extension of such period, during which Company is obligated to provide 100% of Customer's Green Power requirements at the IRC, Company will review the records of power provided from its system to the IRC to determine whether Company's system produced adequate Green Attributes to qualify this power as Green Power. Should Company not have adequate Green Attributes, SCE&G will purchase Market Green Attributes, Customer will reimburse Company its reasonable costs for such Market Green Attributes, and a credit will be provided to Customer for the amount by which the Company Green Premium exceeded the Market Green Premium, if any. If, however, at the time of the proposed purchase of the Market Green Attributes, the Market Green Premium exceeds the Company Green Premium, Company shall not go to the market to purchase the Market Green Attributes without first seeking and receiving Customer's consent. If Customer determines it does not want to purchase the Market Green Attributes, a credit will be provided to Customer against the Company Green Premium previously charged for that power. If, for any reason, Green Power is not provided for a certain amount of Customer's kWh consumption, Customer will receive a credit for any Green Premium assessed for that non-Green Power in Customer's next monthly bill following the true-up (and any successor bills, as necessary). The first true-up under this Section F will be through the period ending December 31, 2011 and occur no later than February 28, 2012.

#### G. PRIORITY FOR COMPANY GREEN ATTRIBUTES

Company will give Customer a priority to its Green Attributes up to the amount necessary for the IRC, so long as that is allowed under applicable regulations and law. Boeing and SCE&G are also parties to an Electric Service Agreement (No. E 9111017) effective April 19, 2011 (the "FAB Contract") through which SCE&G is also providing Boeing Green Attributes. In the event of a deficiency in Green Attributes (Company and/or Market) to meet the needs of this Contract and the FAB Contract, Customer will direct the Company as to how it chooses to allocate the available Green Attributes between the two Contracts and any subsequent contracts between Customer and Company that include a Green Power Rider.

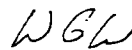
#### H. GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and part of this RIDER 1.

Approval Initials



For Customer



For Company

South Carolina Electric & Gas Company

Electric  
(Page 1 of 8)

## GENERAL TERMS AND CONDITIONS

### I. GENERAL

#### A. FOREWORD

1. In contemplation of the mutual protection of both South Carolina Electric & Gas Company and its Customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the Public Service Commission of South Carolina covering the operation of electric utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific Customers by contract.
4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to as "Commission".

#### B. Application

Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving electric service from Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customers and the Company. No contract may be transferred without the written consent of the Company.

#### C. Term of Service

The rates prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.

#### D. Terms and Conditions

The Terms and Conditions contained herein are a part of every contract for service entered into by the Company and govern all classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.

#### E. Selection of Appropriate Rate

Where two or more Rate Schedules are available, the Company will attempt to assist the Customer to a reasonable extent in determining which Schedule to select. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or minimum demand specified in the Rate Schedule may be waived. It is the responsibility of the Customer to select the Rate and the Company will not assume responsibility for the choice.

#### F. Temporary Service

Temporary or seasonal service will be furnished under the appropriate General Service Rate Schedule to any Customer. Temporary service shall include all construction services having a life expectancy of one year or less. Payment is required in advance for the full cost of erecting and removing all lines, transformers, and other service facilities necessary for the supply of such service.

#### G. Statements by Agents

No representative of the Company has authority to modify any Rule of the Commission, provisions of Rate Schedules or to bind the Company by any promise or representation contrary thereto.

South Carolina Electric & Gas Company

Electric  
(Page 2 of 8)

## II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 12 o'clock Midnight Eastern Time or at such other hours as may be designated.
- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall not be less than twenty-eight (28) days or more than thirty-four (34) days.
- C. "Year", unless otherwise designated, shall mean a period of 365 days commencing with the day of first delivery of electricity hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "Premises" shall mean home, apartment, dwelling unit, shop, factory, business location (including signs and water and sewage pumps), church, or other building or structure which shelters the Customer for his individual or collective occupancy where all services may be taken from a single connection.
- E. "Service Point" or "Point of Interconnection" shall mean the point at which Company's and Customer's conductors are connected.
- F. "Standard Service" means a single service per premises from one electrical source and from existing overhead facilities.

## III. CONDITIONS OF SERVICE

### A. GENERAL

The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's Service at a particular location before proceeding with plans for any new or additional electric loads. No new or additional electric loads will be served if it is determined that such service will jeopardize service to existing Customers. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the meters or other apparatus and equipment of the Company, the Customer and/or other Customers caused by the additional load or changed installation.

### B. Character of Service

Electric energy supplied by the Company shall be standard alternating current at a frequency of approximately 60 hertz and shall be delivered only at voltages and phases as specified by the Company.

### C. Rights-of-Way

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering electric service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from governmental agencies and property owners, at the Customer's expense to permit the installation, operation, and maintenance of the Company's lines and facilities. The Customer, in requesting or accepting service, thereby grants the Company without charge necessary rights-of-way and trimming and clearing privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way and trimming and clearing privileges for its facilities along, across, and under property controlled by the Customer are required, necessary or convenient to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue to extend the Company's facilities on, across, or under property controlled by the customer with necessary trimming and clearing rights to serve other Customers. Customer shall maintain such right-of-way so as to grant Company continued access to its facilities by Company's vehicles and other power-operated equipment.

South Carolina Electric & Gas Company

Electric  
(Page 3 of 8)

D. Customer's Installation

Customer's service installations shall be made in accordance with these General Terms and Conditions, Specifications for Service and Meter Installations, existing provisions of the National Electrical Code, the Regulations of the National Board of Fire Underwriters and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises.

Customer's wiring and equipment must be installed and maintained in accordance with the requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition such wiring and equipment on Customer's side of the service point exclusive of Company's metering facilities and equipment.

Customer's service entrance requirements shall be stipulated in the Electric Service and Meter Installations Manual, and other manuals published by the Company and approved by the Commission.

Before wiring a premise or purchasing equipment, the Customers shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the voltage and phase of the electricity to be furnished, the location of the meter, and the point where the service connection shall be made.

Customer's service entrance requirements shall be stipulated in the Electric Service and Meter Installations Manual, and other manuals published by the company and approved by the Commission.

It is the standard practice of the Company to provide all requirements of service for the Customer through a single metering point at each premises.

Where more than one service is required by the Customer, and requested services meet all applicable code requirements the Company will provide such additional service upon payment by the Customer to the Company of the charges above the first service. Each service point shall be a separate account. No new service will be connected without proper release from the inspecting authority having jurisdiction. Should there be no inspecting authority in the jurisdiction, the Company shall determine whether or not applicable codes are met and shall have no obligation to provide service until such time as they are met.

Customer shall furnish at his sole expense any special facilities necessary to meet his particular requirements for service at other than the standard conditions specified under the provision of the applicable Rate Schedule. The Customer shall also provide protection for Customer's equipment from conditions beyond the Company's control including, but not limited to, protective devices for single-phase conditions. The Customer shall also provide a suitable place, foundation and housing where, in the judgment of the Company, it is deemed necessary to install transformers, regulators, control or protective equipment on the Customer's premise.

All equipment supplied by the Company shall remain its exclusive property and Company shall have the right to remove the same from the premises of Customer at any time after termination of service for any cause.

Should Customer elect, for any reason, to request relocation of Company's facilities or take any action, which requires such relocation, customer may be required to reimburse the Company for all costs as a result of such relocation. Company may relocate existing service and facilities, at Company's expense, when necessary for system design or operation and maintenance requirements.

The Customer shall be responsible for the protection and safekeeping of the equipment and facilities of the Company while on the Customer's premises and shall not permit access thereto except by duly authorized representatives of the Company. Customer assumes responsibility and liability for damages and injuries caused by failure or malfunctions of Customer's equipment.

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**E. Special Equipment**

Where a separate transformer or other additional electrical utility standard equipment or capacity is to be used to eliminate fluctuations or other effects detrimental to the quality of service to other Customers due to welding or X-ray equipment, etc., the Company may make a reasonable charge for the transformer equipment and line capacity required. In lieu of the above, the Company may require the Customer to either discontinue the operation of the equipment causing the disturbance or install the necessary motor generator set or other apparatus to eliminate the disturbance detrimental to the service of other Customers.

**F. Safe Access to Customer's Premises**

The duly authorized representatives of the Company shall be permitted safe access to Customer's premises at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load or other data to be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.

**G. Company's Installation and Service**

Where the Customer's requested service to be supplied by the Company does not produce revenue sufficient to support the expenditure required, the Company will determine in each case the amount of payment and form thereof that shall be required of the Customer.

Electricity supplied by the Company shall not be electrically connected with any other source of electricity without reasonable written notice to the Company and agreement by the parties of such measures or conditions, if any, as may be required for reliability of both systems.

Service supplied by the Company shall not be resold or assigned by the Company to others on a metered or unmetered basis; nor shall the Customer's wiring be connected to adjacent or other premises not owned or operated by the Customer without specific written approval of the Company and of the Commission.

The Company's service facilities will be installed above ground on poles or fixtures; however, underground facilities will be provided when requested in accordance with the Company's appropriate underground service publications.

**In Areas of Overhead Distribution:** The Company will install and maintain an overhead service drop for loads up to 500 KVA from its overhead distribution system to the Customer's service connection provided the transformer can be placed in the proximity of the service point. For residential Customers, if specifically requested by the Customer, the Company will install and maintain a single phase underground service to any residence (terrain permitting) provided the Customer pays in advance the difference in cost between a new overhead service and the new underground service of equal current carrying capacity.

**In Areas of Underground Distribution:** The Company will install and maintain the necessary underground facilities to provide a point of service at the Customer's property line or at another location designated by the Company. For residential Customers, the Company will install and maintain a single-phase service to the service point as designated by Company, up to a maximum length of 125 feet. If the requested residential service to Company's designated service point exceeds 125 feet in length, the Customer will pay in advance the total additional cost for that portion in excess of 125 feet in length. For underground service other than residential, the Customer shall furnish, install and maintain necessary service conductors and conduit from their service equipment to the Company's designated point of service regardless of meter location.

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H. Term of Contract

The Term of Contract for service shall be for a term of one year with automatic renewal except as otherwise provided in the applicable Rate Schedule. Where a large or special investment in service facilities is necessary, or other special conditions exist, contracts may be written for (1) a longer term than specified in the Rate Schedule, or (2) a special guarantee of revenue, or (3) a facility charge, or (4) all of these conditions as may be required to safeguard the Company's investment.

I. Continuance of Service and Liability Therefore

The Company does not guarantee continuous service. Company shall use reasonable diligence at all times to provide uninterrupted service but shall not be liable for any loss, cost damage or expense to any Customer occasioned by any failure to supply electricity according to the terms of the contract or by any interruption or reversal of the supply of electricity, if such failure, interruption or reversal is due to storm, lightning, fire, flood, drought, strike, or any cause beyond the control of the Company, or any cause except willful default or gross neglect on its part.

The Company reserves the right to curtail or temporarily interrupt Customer's service when it shall become necessary in order that repairs, replacement or changes may be made in the Company's facilities and equipment, either on or off Customer's premises.

The Company may impose reasonable restrictions on the use of service during peak periods of excessive demand or other difficulty, which jeopardizes the supply of service to any group of Customers.

The Company may waive any minimum charge or guarantee payments for service upon written notice from and request of Customer during such time as the Customer's plant may be completely closed down as a result of strike, lockout, government order, fire, flood, or other acts of God: provided however, that Customer specifically agrees that the term of the service contract shall be extended for a period equal to the period of enforced shutdown. (See Section VII, Force Majeure).

J. Denial or Discontinuance of Service

The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants or occupants of the premises served, for any loss, cost, damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be hazardous or dangerous.
2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
3. In the event of unauthorized or fraudulent use of Company's service.
4. Unauthorized adjustments or tampering with Company's equipment.
5. Customer's failure to fulfill his contractual obligations.
6. For failure of the Customer to permit the Company reasonable access to its equipment.
7. For nonpayment of bill for service rendered provided that the Company has made reasonable efforts to effect collection.
8. For failure of the Customer to provide the Company with a deposit.
9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.

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10. The Company shall not furnish its service to any applicant who at the time of such application is indebted to any member of his household is indebted under an undisputed bill for service, previously furnished such applicant or furnished any other member of the applicant's household or business.
11. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premise. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.
12. For failure of the Customer to comply with reasonable restrictions on the use of service. The Company may discontinue service without notice for reasons (1), (2), and (3) above. For the remainder of the reasons, the Customer shall be allowed a reasonable time in which to correct any discrepancy.
13. Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

K. Reconnection Charge

Where the Company has discontinued service for reasons listed in Section III-J, the Customer is subject to a reconnection charge of \$25.00 in addition to any other charges due and payable to the Company. In cases where both electric and gas service are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

Where the Customer interrupts or terminates service and subsequently requests reconnection of service at the same premises the reconnection charge will apply.

IV. BILLING AND PAYMENT TERMS

A. General

The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms, and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission.

All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

B. Customer's Obligations

The Customer is responsible for electricity furnished and for all charges under the agreement until the end of term thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

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Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit as set forth below.

C. Late Payment Charge

A late payment charge of one and one half per cent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.

D. Deposit

A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the preceding twelve (12) months or a portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist:

- (1) The Customer's past payment record to the Company shows delinquent payment practice;
- (2) A new Customer cannot furnish either a letter of good credit from a reliable source or any acceptable cosigner or guarantor on the Company's system to guarantee payment;
- (3) A Customer has no deposit and presently is delinquent in payments;
- (4) A Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of the deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.

E. Service Charge

The Company may make reasonable charges for work performed on or services rendered:

- 1) Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions, Specifications for Service and Meter Installations, existing provisions of the National Electric Code, the Regulations of the National Board of Fire Underwriters and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;
- 2) To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or
- 3) To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, material and transportation.

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## V. COMPANY'S LIABILITY

### A. General

The Company shall not be in any way responsible or liable for damages to or injuries sustained by the Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's wiring and equipment, or the wiring and equipment of others on the Customer's premises. The Company will not be responsible for the use; care or handling of electricity delivered to the Customer after it passes the service point. The Customer assumes responsibility and liability for damages and injuries caused by failures or malfunctions of Customer's equipment.

## VI. MEASUREMENT OF SERVICE

### A. Meter Testing on Request of Customer

The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meter or meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15.00 without the approval of the Commission. The amount so deposited with Company shall be refunded or credited to the Customer, as a part of the settlement of the disputed account if the meter is found, when tested to register more than 2% fast or slow; otherwise the deposit shall be retained by the Company.

### B. Adjustments for Inaccurate Meters

Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

## VII. FORCE MAJEURE

### A. General

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligations to provide service under its Rate Schedules or Contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include, but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods, washouts, arrest and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines, the maintaining or repairing or alteration of machinery, equipment, structures or lines (which maintaining, repairing or alteration shall, however, be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of electricity), freezing of lines, partial or complete curtailment of deliveries under Company's electric purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, any of the above, which shall, by the exercise of due diligence and care such party is unable to prevent or overcome, and any cause other than those enumerated herein (whether of the kind enumerated herein or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected thereby.

## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

## ELECTRICITY

## RATE 23

## INDUSTRIAL POWER SERVICE

## AVAILABILITY

This rate is available to any customer classified in the major industrial group of manufacturing with 10-14 or 20-39 as the first two digits of the Standard Industrial Classification or 21 or 31-33 as the first two digits of the six digit North American Industry Classification System using the Company's standard service for power and light requirements and having a contract demand of 1,000 KW or over. It is not available for resale service.

## CHARACTER OF SERVICE

Alternating Current, 60 hertz, three phase, metering at the delivery voltage which shall be standard to the Company's operation.

## RATE PER MONTH

I. Basic Facilities Charge \$ 1,775.00

## II. Demand Charge:

All KW of Billing Demand @ \$ 13.67 per KW

The billing demand (to the nearest whole KW) shall be the greatest of: (1) the maximum integrated fifteen minute demand measured (which may be on a rolling time interval) during the current month; or (2) eighty percent (80%) of the highest demand occurring during the billing months of June through September in the eleven preceding months; or (3) sixty (60%) of the highest demand occurring during the billing months of October through May in the eleven preceding months; or (4) the contract demand; or (5) 1,000 KW.

The customer shall maintain a power factor of as near unity as practicable. If the power factor of the customer's installation falls below 85%, the Company will adjust the billing demand to a basis of 85% power factor.

## III. Energy Charge:

All kWh @ \$ 0.04642 per kWh

## DISCOUNT

A discount of \$0.60 per KW of billing demand will be allowed when the service is supplied at a delivery voltage of 46,000 volts or higher.

## MINIMUM CHARGE

The monthly minimum charge is the demand as determined above. The Company may allow a buildup period not to exceed six months for new and expanding accounts during which time the contract demand and/or the minimum demand specified in the rate schedule may be waived. The Company shall not commit itself to a buildup period exceeding six months without prior approval of the Commission for the specific account involved.

## RIDERS

The energy charges above include the credits provided under the Rate Reduction and Tax Credit Rider as ordered by the Public Service Commission of South Carolina. These energy charges will be adjusted as the credits expire.

## ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

Fuel costs of \$.03602 per kWh are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

## DEMAND SIDE MANAGEMENT COMPONENT

The energy charges above include a DSM component of \$.00008 per kWh for Demand Side Management expenses.

## STORM DAMAGE COMPONENT

Inclusion of a storm damage component has been indefinitely suspended until further order of the Public Service Commission of South Carolina.

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

## TERM OF CONTRACT

The contract terms will depend on the conditions of service. No contract shall be written for a period less than five (5) years. A separate contract shall be written for each meter at each location.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective for Bills Rendered On And  
After The First Billing Cycle of June 2011

Exhibit A

